



United States Department of Agriculture
Rural Development
Richmond

VA AN No. 438 (1924-A)
August 2, 2004

SUBJECT: Section 515 Preoccupancy Conference

TO: Area Directors and Rural Development Specialists

PURPOSE/OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance on preoccupancy conferences to be held between the Rural Development Servicing Official, the borrower and the individual(s) responsible for project management. Preoccupancy conferences must be conducted with borrowers/agents who receive new construction loans. In addition, we strongly recommend that they be conducted when a borrower changes management and the Servicing Official believes that a conference needs to be held to ensure the smooth transition of management.

COMPARISON WITH PREVIOUS AN:

This AN replaces VA AN No. 419 (1944-E) dated July 25, 2003.

IMPLEMENTATION RESPONSIBILITIES:

The State Office will send the Area Office its file before a loan is obligated. This will ensure that the Servicing Official has enough time to schedule the preoccupancy conference 90 to 120 days prior to the construction completion date. The Servicing Official will be responsible for reviewing and approving all required management and servicing documents. Attachment A will be used as a guide and documentation of the items discussed at the preoccupancy conference. Please send a copy of the completed Attachment A to the State Office for our records.

If you have any questions, please contact the MFH Section in the State Office.

/s/

JOSEPH W. NEWBILL
State Director

Attachment

EXPIRATION DATE:
July 31, 2005

FILING INSTRUCTIONS: Preceding
RD Instruction 1944-E

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PREOCCUPANCY CONFERENCE CHECKLIST

The following issues were discussed during the preoccupancy conference held with _____
_____ on _____:

_____ Reserve requirements and process of reserve withdrawals

_____ O&M requirements, including tax and insurance

_____ Submission of monthly project worksheets

_____ Preparation and submission of tenant certifications

_____ Termination notices

_____ Eviction notices

_____ Affirmative Fair Housing

_____ Payment due date

_____ Changes in rent

_____ Waiting list requirements

Comments:

I (we) certify that all of the items checked above have been discussed in detail.

Borrower or Representative

RD Official and Title

